GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3297
ANSWERED ON:30.08.2013
INSURANCE SCHEMES
Chanabasappa Shri Udasi Shivkumar

Will the Minister of FINANCE be pleased to state:

(a) the details of the insurance schemes operational under Life Insurance Corporation of India Limited (LIC) along with profit earned under each scheme during the last three years and the current year;

(b) whether the LIC has any proposal to launch new insurance scheme to compete with other world level insurance companies in the country;

(c) if so, the details thereof and if not, the reasons therefor; and

(d) the time by which new schemes are likely to be launched?

Answer

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a): Life Insurance Corporation of India (LIC) has informed that it had 53 Individual products and 10 Pension & Group Schemes (P&GS) as on 31.03.2013. LIC maintains a single fund in terms of Section 24 of LIC Act, 1956 and all receipts of the Corporation are credited thereto and all payments of the Corporation are made there from. Section 26 of the said Act provides that an annual actuarial investigation into the financial condition of the life insurance business of the Corporation be carried out and any surplus emerging as a result of this investigation is distributed to the policyholders in terms of Section 28 of the said Act. The total surplus for the last three years is as follows:

Year	Valuation Surplus (in Rs. crores)
2009-10	20618.45
2010-11	22752.34
2011-12	25624.58

Reversionary bonuses are declared from the valuation surplus, for all participating (with profit) products. All in force policies under these participating products are eligible for bonus subject to conditions as contained in the policy document. Rates of reversionary bonus declared under each product during the last three years are detailed in Annex.

(b) and (c) : LIC has further informed that Insurance Regulatory and Development Authority (IRDA) has issued new Regulations in February 2013 on traditional life insurance products (Non-Linked) and ULIPs (Linked). Accordingly the new insurance policies to be sold under Individual Life Business as well as under the Group Life Business have to be compliant with these regulations w.e.f 1st October 2013 for Individual Life Business and 1st August 2013 for Group Life Business. Consequently, LIC needs to modify most of its products. LIC also designs new products from time to time to meet the needs of the policyholders and different segments of society.

(d): Subsequent to the new Regulations, LIC has filed three Individual Life Business products and five Group Business schemes with IRDA, of which one group business scheme has been approved.